

Appendix E

MCA -- Oct. 1999

90-9-301. Agriculture seed capital account -- matching funds.

- (1) There is an agriculture seed capital account administered by the council.
- (2) The council may loan money from the agriculture seed capital account to support research relating to innovative organizational improvements in agricultural businesses and to the commercialization and marketing of new agricultural products or agricultural production processes.
- (3) The council may not make a loan to an agricultural development project for which the matching funds have not been received. Matching funds are required prior to any expenditure of state funds for research and development or seed capital projects. The council may accept as matching funds those funds received by the loan recipient within 1 year prior to the execution of the loan agreement.

90-9-306. Appropriation authority and funding -- prohibited investments.

- (1) The council has authority to accept and expend all funds received by it as grants, donations, or other private or public income, including amounts repaid as principal and interest on investments made by the council. These funds are statutorily appropriated to the council, as provided in 17-7-502, for the purposes of this chapter, except that expenditures for actual and necessary expenses required for the efficient administration of this chapter must be made from temporary appropriations, as described in 17-7-501(1) or (2), made for that purpose.
- (2) Council members may not personally apply for or receive council funds. If an organization with which a member is affiliated applies for council funds, the member must disclose the nature of the affiliation and may not participate in the decision of the council regarding the application.

History: En. Sec. 10, Ch. 665, L. 1987; amd. Sec. 14, Ch. 284, L. 1989; amd. Sec. 13, Ch. 628, L. 1989.

90-9-311. General criteria underlying agricultural development project loans. The council may make an agricultural development project loan only upon a favorable determination that the proposed agricultural development project:

- (1) is consistent with the findings and purposes of the act because it incorporates innovative agricultural technology;
- (2) has prospects for collaboration between the public and private sectors of the state's economy;
- (3) has prospects for achieving commercial success and for creating new jobs in the state;
- (4) has potential for commercial success related to the specific product, process, or business development methodology proposed;
- (5) can provide matching funds;
- (6) has potential to benefit existing agricultural business;
- (7) can be reasonably expected to provide an economic return within a reasonable period of time;
- (8) involves processing or adding value to agricultural products produced in the state; and
- (9) has a management structure that allows ongoing post disbursement involvement by the council.

History: En. Sec. 1, Ch. 284, L. 1989.

90-9-312. Seed capital projects -- program goals. (1) The council may make a seed capital project loan to a seed capital project if it determines that the project meets the loan criteria established in 90-9-311 and 90-9-313 and further determines that the project meets the goals established in subsection (2) and involves development and commercialization of innovative agricultural products or processes.

- (2) The goals of this program are:
 - (a) to assist in the development of innovative technology in the state by providing a source of capital to the agricultural-based sector of the state's economy;
 - (b) to provide financing and follow-along management support for agricultural businesses in the state that are attempting to develop agricultural products or processes based on innovative technologies; and
 - (c) to provide a liaison between agricultural businesses in the state and investors in an effort to enhance the pool of capital available to agricultural businesses in the state.

History: En. Sec. 2, Ch. 284, L. 1989.

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90-9-313. Specific criteria for seed capital project loans. The council may make a seed capital project loan only if it determines that the proposed project complies with the criteria and goals set forth in 90-9-311 and 90-9-312 and further determines that:

- (1) the project develops or employs innovative agricultural products or processes that promise a significant competitive advantage;
- (2) the project requires financing that is not available from conventional lending sources;
- (3) the project provides an opportunity to preserve the principal of the loan amount and to earn a monetary return;
- (4) the company is located or preparing to locate within the state;
- (5) the project demonstrates a capacity to diversify or add value to the state's agricultural businesses;
- (6) the company's management team possesses sufficient agricultural business experience;
- (7) the company has potential for creating and retaining jobs and stimulating tax revenue growth in the state;
- (8) the company's agricultural product or process is targeted for a commercial market;
- (9) the company's product or process is of sufficient quality to significantly impact the target market; and
- (10) if applicable, the company's business plan is designed to provide financing, marketing, and production milestones to accomplish the proposed commercialization.

History: En. Sec. 3, Ch. 284, L. 1989.

90-9-314. Research and development project -- program goals.

- (1) The council may make a research and development project loan if it determines that the project meets the loan criteria established in 90-9-311 and 90-9-315 and further determines that the project meets the goals established in subsection (2).
- (2) The goals of this program are:
 - (a) to significantly upgrade existing agricultural research capabilities within the state's research and development institutions and organizations;
 - (b) to provide financial support to individual research projects that have significant potential to advance development of agricultural business in the state;
 - (c) to facilitate the process of transferring research from the laboratory to the commercial marketplace;
 - (d) to provide financial support for the development of advanced research capabilities within the state's university system through the acquisition of facilities, equipment, or personnel;
 - (e) to facilitate the flow of information to agricultural-based businesses in the state in order to assist those businesses in reaching their full commercial potential; or
 - (f) to improve the information and resources available to the state's agricultural businesses involved in commercialization of innovative agricultural products and processes.

History: En. Sec. 4, Ch. 284, L. 1989.

90-9-315. Specific criteria for research and development project loans. The council may make a research and development project loan only if it determines that the proposed project substantially complies with the criteria and goals set forth in 90-9-311 and 90-9-314 and further determines that the project:

- (1) has the potential to diversify or add value to the state's agricultural economy;
- (2) demonstrates a clear path to commercial development of the research results within the state;
- (3) involves university system research participation, if appropriate;
- (4) employs or otherwise takes advantage of existing research and development strengths within the state's university and private research establishment;
- (5) involves a realistic and achievable research project design;
- (6) develops or employs innovative agricultural products or processes; and
- (7) is located within the state.

History: En. Sec. 5, Ch. 284, L. 1989.